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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/825,726	04/15/2004	Peter Hansen	1100-078	8821
47670 7590 04/01/2009 KELLEY DRYE & WARREN LLP 400 ATLANTIC STREET, 13TH FLOOR STAMFORD, CT 06901				
EXAMINER				
MERCHANT, SHAHID R				
ART UNIT		PAPER NUMBER		
3692				
MAIL DATE		DELIVERY MODE		
04/01/2009		PAPER		

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary

Application No.

10/825,726

Applicant(s)

HANSEN ET AL.

Examiner

SHAHID R. MERCHANT

Art Unit

3692

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 17 February 2009.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-24 is/are pending in the application.
- 4a) Of the above claim(s) 1-17 is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 18-24 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☐ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/CDC)
- 4) ☐ Interview Summary (PTO-413)
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: _____
- Paper No(s)/Mail Date _____

DETAILED ACTION

Continued Examination Under 37 CFR 1.114

1. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on February 17, 2009 has been entered.

Status of the Claims

2. This action is in response to the request for continued examination filed on February 17, 2009.

- Claims 1-24 are pending.
- Claims 1-17 have been cancelled.
- Claims 18 and 21 have been amended.

Response to Arguments

3. Applicant's arguments filed February 17, 2009 have been fully considered but they are not persuasive. Examiner notes that on page 10 under the heading Status of the Claims, Applicant cites claims 18 and 21 as being amended. After reviewing claims 18 and 21, it appears that the claims filed on February 17, 2009 have been amended from the previous claim set filed on August 14, 2008. However, claims 18 and 21 have

the following identifier after the claim number, PREVIOUSLY PRESENTED. For examining purposes, Examiner assumes this to be a typographical error. Examiner assumes the correct identifier to be CURRENTLY AMENDED.

4. Applicant's arguments on pages 12-13 with respect to claims 18-19 and 21-24 have been considered but are moot in view of the new ground(s) of rejection.

5. Applicant argues the difference between the word "receiving" and "intercepting." Applicant's arguments have been fully considered but they are not persuasive. Applicant argues that the word "intercepting" identifies gaining access ahead (or even secretly) prior to arrival at the intended recipient. This may be a true; however one can also be receiving information prior to arrival at the intended recipient. According to Figure 3 of Applicant's disclosure, Applicant's Message Interceptor is positioned between a trader and executing broker. It appears that all orders must pass through the Message Interceptor. Therefore, the Message Interceptor is receiving all orders. In this case, although Applicant claims the Message Interceptor is intercepting the orders, it is also receiving the orders. Therefore, whether the order data is "intercepted" or "received," the invention would still function the same.

6. Next, Applicant on page 13 and 14 has failed to adequately rebut Examiner's Official Notice that it is well known and practiced in the arts for companies to provide services to a client without the knowledge of other entities through a non-disclosure agreement. Examiner notes the following discussion of Official Notice taken from the MPEP:

To adequately traverse such a finding, an applicant must specifically point out the supposed errors in the examiner's action, which would include stating why the noticed fact is not considered to be common

knowledge or well-known in the art. See 37 CFR 1.111(b). See also *Chevenard*, 139 F.2d at 713, 60 USPQ at 241 ("[I]n the absence of any demand by appellant for the examiner to produce authority for his statement, we will not consider this contention."). A general allegation that the claims define a patentable invention without any reference to the examiner's assertion of official notice would be inadequate. If applicant adequately traverses the examiner's assertion of official notice, the examiner must provide documentary evidence in the next Office action if the rejection is to be maintained. See 37 CFR 1.104(c)(2). See also *Zurko*, 258 F.3d at 1386, 59 USPQ2d at 1697 ("[T]he Board [or examiner] must point to some concrete evidence in the record in support of these findings" to satisfy the substantial evidence test). If the examiner is relying on personal knowledge to support the finding of what is known in the art, the examiner must provide an affidavit or declaration setting forth specific factual statements and explanation to support the finding. See 37 CFR 1.104(d)(2). If applicant does not traverse the examiner's assertion of official notice or applicant's traverse is not adequate, the examiner should clearly indicate in the next Office action that the common knowledge or well-known in the art statement is taken to be admitted prior art because applicant either failed to traverse the examiner's assertion of official notice or that the traverse was inadequate. If the traverse was inadequate, the examiner should include an explanation as to why it was inadequate. (MPEP § 2144.03(C))

Applicant has not "specifically pointed out the supposed errors in the examiner's action, which would include stating why the noticed fact is not considered to be common knowledge or well-known in the art." For this reason, the aforementioned limitations are taken to be admitted prior art.

Claim Objections

7. Claims 18 and 21 objected to because of the following informalities: the identifier PREVIOUSLY PRESENTED should be changed to CURRENTLY AMENDED (see MPEP 714 [R-6], section c). Appropriate correction is required.

Claim Rejections - 35 USC § 112

8. The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the

art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

9. Claims 18-20 rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention. Applicant recites in the first step of claim 18, "establishing an electronic data connection between a trader and a broker." It is unclear and ambiguous as to how the step of "intercepting over said data connection" is occurring and who is doing it because the electronic data connection is only between the trader and the broker. The original disclosure is vague as to how one is to "intercept" data over a data connection (i.e. internet or other network).

10. Claims 18 and 21 rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention. The phrase "without knowledge of said broker" appears to be new matter. The previously mentioned terms and limitations constitute new matter. Applicant is advised to point out in the original disclosure where the claimed subject matter appears otherwise the new subject matter should be removed from the claims. Applicant is advised to review section **706.03(o) [R-3] New Matter** of the MPEP.

35 U.S.C. 132. Notice of rejection; reexamination.

(a) Whenever, on examination, any claim for a patent is rejected, or any objection or requirement made, the Director shall notify the applicant thereof, stating the reasons for such rejection, or objection or requirement, together with such information and references as may be useful in judging of the propriety of continuing the prosecution of his application; and if after receiving such notice, the applicant persists in his claim for a patent, with or without amendment, the application shall be reexamined. No amendment shall introduce new matter into the disclosure of the invention.

11. Claims 19-20 and 22-24 rejected to as being dependent upon a rejected base claim.

12. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

13. Claims 21-23 rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

14. Regarding claim 21, it is not clear whether the "at least one calculation module..." is hardware, software or a combination of both, because it is not sufficiently disclosed in the written description of the specification.

15. Regarding claim 21, Applicant asserts that the claim element "a means for intercepting market trade communications" is a means (or step) plus function limitation that invokes 35 U.S.C. 112, sixth paragraph. However, it is unclear whether the claim element is a means (or step) plus function limitation that invokes 35 U.S.C. 112, sixth paragraph, because the corresponding structure is not sufficiently disclosed in the written description of the specification. It is not clear in the original disclosure whether intercepting market trade communications is be done by hardware, software or by a human or by a combination.

Applicant is required to:

- (a) Amend the claim so that the claim limitation will no longer be a means (or step) plus function limitation under 35 U.S.C. 112, sixth paragraph; or
- (b) Amend the written description of the specification such that it expressly recites what structure, material, or acts perform the claimed function without introducing any new matter (35 U.S.C. 132(a)).

If applicant is of the opinion that the written description of the specification already implicitly or inherently discloses the corresponding structure, material, or acts so that one of ordinary skill in the art would recognize what structure, material, or acts perform the claimed function, applicant is required to clarify the record by either:

- (a) Amending the written description of the specification such that it expressly recites the corresponding structure, material, or acts for performing the claimed function and clearly links or associates the structure, material, or acts to the claimed function, without introducing any new matter (35 U.S.C. 132(a)); or
- (b) Stating on the record what the corresponding structure, material, or acts, which are implicitly or inherently set forth in the written description of the specification, perform the claimed function. For more information, see 37 CFR 1.75(d) and MPEP §§ 608.01(o) and 2181.

- 16. Claim 21 recites the limitation "the intended recipient" in line 7. There is insufficient antecedent basis for this limitation in the claim.
- 17. Claims 22-23 rejected to as being dependent upon a rejected base claim.

Claim Rejections - 35 USC § 101

18. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

19. Claims 18-20 and 24 are rejected under 35 U.S.C. 101. Based on Supreme Court precedent and recent Federal Circuit decisions, the Office's guidance to examiners is that a § 101 process must (1) be tied to a machine or (2) transform underlying subject matter (such as an article or materials) to a different state or thing. In *re Bilski et al*, 88 USPQ 2d 1385 CAFC (2008); *Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 U.S. 780,787-88 (1876).

An example of a method claim that would not qualify as a statutory process would be a claim that recited purely mental steps. Thus, to qualify as a § 101 statutory process, the claim should positively recite the other statutory class (the thing or product) to which it is tied, for example by identifying the apparatus that accomplishes the method steps, or positively recite the subject matter that is being transformed, for example by identifying the material that is being changed to a different state.

Here, applicant's method steps fail the first prong of the new Federal Circuit decision since they are not tied to a machine and can be performed without the use of a particular machine. Thus, claims 18-20 and 24 are non-statutory since they may be performed within the human mind.

The mere recitation of the machine in the preamble with an absence of a machine in the body of the claim fails to make the claim statutory under 35 USC 101.

Note the Board of Patent Appeals Informative Opinion *Ex parte* Langemyr.

Claim Rejections - 35 USC § 103

20. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

21. Claims 18-19 and 21-24 rejected under 35 U.S.C. 103(a) as being unpatentable over Buckwalter et al., U.S. Patent Application Publication 2003/0177085 (see PTO-892, Ref. C) in view of Rosen et al., U.S. Patent Application Publication 2003/0050879 (see PTO-892, Ref. A) and further in view of Parker et al., U.S. Patent Application Publication 2004/0059628 (see PTO-892, Ref. D).

22. As per claim 18, Buckwalter teaches a computer implemented method providing indications of market trade quality as a measure of a broker's performance, comprising:

establishing an electronic data connection between a trader and a broker (see paragraph 25);

storing an identity of said one or more market orders (see paragraphs 37, 49-51);

matching one of said stored market order identities (see paragraph 39);

receiving real-time market data relative to one of said market order executions (see paragraph 39);

calculating one or more execution qualities in real-time as an indication of said broker's performance (see paragraphs 41-43);

conveying said one or more execution qualities to said trader (see Figure 5A).

Official Notice is taken that it is old and well known companies to provide services to a client without the knowledge of other entities through non-disclosure agreements (see PTO-892, Ref. U). The motivation to use a non-disclosure agreement is, so confidential or proprietary information is not disclosed to a competitor or other party not entitled to the information.

Rosen teaches intercepting over said data connection one or more market order communications from a trader intended for, and prior to receipt by, said broker (see paragraphs 54-57 and 89-90) and intercepting over said data connection one or more market order executions from said broker intended for, and prior to receipt by, said trader (see paragraphs 61 and 72-74).

Parker teaches accepting from said trader an opinion of said one or more execution qualities and recording said opinion (see paragraphs 4-7, 15, 22-25 and Figure 2).

Therefore, it would be prima facie obvious to a person of ordinary skill in the art at the time of the invention to combine the teachings of Buckwalter, Rosen and Parker to have a trader rate the execution qualities of a broker because it would allow a trader to determine whether the broker represents value for money based on execution

qualities and ratings as taught by Parker (see paragraph 2). Further, it would be obvious to modify the invention of Buckwalter in view of Rosen to have a third party receive trade order data from a customer and later, trade order execution data from a broker because it would allow a third party to determine the execution quality of the trade as taught by Buckwalter (see paragraph 22). See *KSR International Co. v. Teleflex Inc.*, 82 USPQ2d 1385 (2007).

23. As per claim 19, Buckwalter, Rosen and Parker teach the method of claim 18 as described above. Buckwalter further teaches wherein the conveyance of said one or more execution qualities is as a result of departure of a value from predetermined limits (see paragraph 43).

24. Claim 21 recites similar limitations to claim 18 and thus rejected using the same art and rationale in the rejection of claim 18 as set forth above.

25. As per claim 22, Buckwalter, Rosen and Parker teach the system of claim 21 as described above. Buckwalter further teaches wherein said market trade communications comprise: market trade order communications (see paragraphs 37-43).

26. As per claim 23, Buckwalter, Rosen and Parker the system of claim 21 as described above. Buckwalter further teaches wherein said market trade communications comprise: market trade execution communications (see paragraphs 37-43).

27. As per claim 24, Buckwalter, Rosen and Parker teach the method of claim 18 as described above. Parker teaches ranking said broker based on said execution quality; and conveying said ranking to said trader (see paragraphs 22-25 and Figure 4).

Therefore, it would be prima facie obvious to a person of ordinary skill in the art at the time of the invention to combine the teachings of Buckwalter, Rosen and Parker to rank brokers based on execution quality; and conveying the ranking to the trader because it would allow a trader to determine whether the broker represents value for money based on execution qualities and ratings as taught by Parker (see paragraph 2).

28. Claim 20 rejected under 35 U.S.C. 103(a) as being unpatentable over Buckwalter et al., U.S. Patent Application Publication 2003/0177085 (see PTO-892, Ref. C) in view of Rosen et al., U.S. Patent Application Publication 2003/0050879 (see PTO-892, Ref. A) in view of Parker et al., U.S. Patent Application Publication 2004/0059628 (see PTO-892, Ref. D) as applied to claim 18 above, and further in view of Quality of Execution, LLC (see PTO-892, Ref. V). Hereinafter QOE.

29. As per claim 20, Buckwalter, Rosen and Parker teach the method of claim 18 as described above. QOE teaches wherein said execution quality is conveyed to a trader via a display (see page 1 and 8-34).

Therefore, it would be prima facie obvious to a person of ordinary skill in the art at the time of the invention to combine the teachings of Buckwalter, Rosen and Parker and QOE to convey execution quality data to a trader via a display because it would allow a trader to determine whether the broker represents value for money based on execution qualities and ratings as taught by Parker (see paragraph 2).

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to SHAHID R. MERCHANT whose telephone number is (571)270-1360. The examiner can normally be reached on First Friday Off.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Kambiz P. Abdi can be reached on 571-272-6702. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Shahid R Merchant/
Examiner, Art Unit 3692